

REMARKS/ARGUMENTS**The Final Rejection**

In the above-mentioned Final Rejection, claims 479-514, 524-529 and 532-535 were rejected as being unpatentable over U.S. Patent 4,863,772 (Cross) in view of U.S. Patent 5,407,718 (Popat); claims 515 and 516 were rejected as being unpatentable over Cross in view of Popat and further in view of U.S. Patent 4,704,317 (Hickenbotham); claims 517-523 were rejected as being unpatentable over Cross in view of Popat and further in view of U.S. Patent 5,198,275 (Klein); and claims 530 and 531 were rejected as being unpatentable over Cross in view of Popat and further in view of U.S. Patent 5,842,722 (Carlson).

In response to the Final Rejection, claims 483 and 484 are cancelled without prejudice or disclaimer, claims 479, 502, 506, 508 and 531 are amended and new dependent claims 536 and 537 are added.

Interview Summary

The undersigned Counsel for Applicants and Applicants' technical representative, Dr. Ronald Ugolick, thank Examiner Chevalier for the courtesies extended to them during their personal interview on May 9, 2006. During that interview, Cross and Popat were discussed. No agreement was reached.

Discussion of Patentability of Claims

Applicants respectfully contend that an obviousness rejection of Cross in view of Popat of amended claim 479 would be improper for the reasons set forth below.

Cross discloses (column 3, lines 44-61) a construction wherein: (1) die cuts are made to form individual dry labels; (2) thereafter, the matrix is stripped away (to produce the construction of FIG. 1B); and (3) after (2) or before (1), the dry labels are printed. After (1), (2) and (3), the printed dry labels are removed from the liner, as by an end user from a fan-folded web and after delivery of the web to the user. The dry labels can be removed manually as depicted in FIG. 1C or mechanically as depicted in FIG. 6A. The printed dry labels when on the liner are spaced apart and not surrounded by any

matrix so that they can be easily, consistently and quickly removed, such as off the moving liner 21 as shown in the drawings.

In contrast, Popat discloses a sheet of adhesive (not dry) labels with the matrix attached for sheet feeding through a printer or copier and the adhesive labels in abutting relation.

Cross and Popat thus are directed to and disclose two very different products constructed for two very different purposes. Assuming for discussion purposes that Cross and Popat are from analogous arts, it is not seen why one would want to modify Cross in view of Popat as was done in the Final Rejection for at least the following two reasons.

First, one would not want to modify Cross to have the matrix, as this would make it very difficult to access and remove the printed labels, either manually (as shown in Cross FIG. 1C) or in a continuous automated process (FIG. 6A).

Second, one would not want to modify Cross to position the (liner-carried) dry labels so that they abut one another in rows and/or columns, as this would also make it very difficult to access and removed the printed labels.

And referring to MPEP 2143.01 V, "[i]f proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984)." Thus, a Section 103 rejection of amended claim 479 over Cross in view of Popat would be improper.

Concluding Remarks

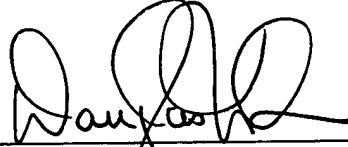
Accordingly, it is respectfully contended that all of the claims now pending are in condition for allowance. Issuance of the Notice of Allowance at an early date is thus in order.

If there are any remaining issues, Examiner Chevalier is encouraged to telephone the below-signed counsel for Applicants at (310) 785-5384 to seek to resolve them.

The Commissioner is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. 10-0440. Should such

additional fees be associated with an extension of time, Applicants respectfully request that this paper be considered a petition therefor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Douglas N. Larson", written over a horizontal line.

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